

Procurement and Contracts
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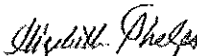
Sara Brown Chastet, Governor

PROCUREMENT NEGOTIATING COMMITTEE ENDORSEMENT
Kansas Foundation for Medical Care, Inc., 11231: External Quality Review Services

As member of the Procurement Negotiation Committee (PNC) I acknowledge the necessity for and objects of contract Amendment Three and endorse the amendment as written.


Kelly Chilton
Department of Health and Environment
(KDHE Designee)

5/15/13
Date


Elizabeth Phelps
Department of Health and Environment
(Secretary of Administration Designee)

5.6.13
Date


Tami Shirley
Procurement and Contracts
(Procurement and Contracts Designee)

6/3/2013
Date

**AMENDMENT THREE
BETWEEN
KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
AND
KANSAS FOUNDATION FOR MEDICAL CARE, INC.
FOR
EXTERNAL QUALITY REVIEW SERVICES**

The above referenced agreement entered into by and between the Kansas Department of Health and Environment, Division of Health Care Finance (KDHE-DHCF) and Kansas Foundation for Medical Care, Inc. (KFMC) is hereby amended by agreement of the parties.

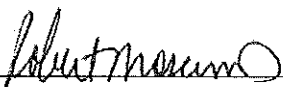
Effective January 1, 2013, Kansas has implemented KanCare, a Center for Medicaid Services (CMS)-approved 1115(a) demonstration comprehensive managed care program that includes most Medicaid services in Kansas. Under KanCare, an array of mandatory and optional external quality review activities must be accomplished, which essentially merges those activities that had previously been conducted under separate physical health, mental health and substance use disorder managed care programs. As the single state Medicaid agency, KDHE-KHCF has primary responsibility for the implementation and management of KanCare, including the external quality review activities. In addition, CMS requires an evaluation of the KanCare demonstration program, as part of the Special Terms of Conditions of program approval. And finally, the approval term for these now-consolidated managed care services in the KanCare program is 1.1.13-12.31.17.

In light of these changes, it is necessary that this agreement consolidate the various mandatory, optional and evaluation activities associated with the KanCare Medicaid managed care program into this single agreement, and that this agreement cover the scope of the approved program and related reporting timeline. Therefore, the following amendments now govern the agreement between the parties:

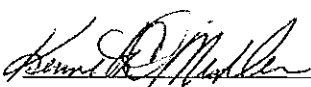
1. The contract period is now: January 1, 2009 through June 30, 2018. By that time, the KanCare approval term and the time for related reporting requirements will be completed.
2. The scope of work is described as the following, effective 1.1.13: All mandatory, optional and evaluation activities related to the KanCare program, as assigned to KFMC by KDHE. The details of those activities will be developed between KDHE and KFMC on an ongoing basis, will be generally guided by the attached 2.22.13 summary cost proposal. Each year, the specific activities to be accomplished will be reflected in a KDHE/KFMC work plan, and the details of that work plan will govern the specific tasks to be accomplished. The compensation per task will be governed by the attached cost proposal.

3. All remaining terms and conditions of the above-referenced contract (including any attachments and amendments thereto, and documents incorporated therein) shall remain in force and effect and binding on the parties hereto.

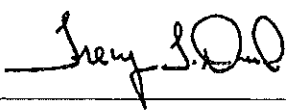
IN WITNESS WHEREOF, KFMC, KDHE and the Director, Procurement and Contracts, hereto affix their signatures to this amended contract.


Robert Moser, MD, Secretary
Kansas Department of Health and Environment

5/15/2013
Date


Ken Mishler, President and CEO
Kansas Foundation for Medical Care

5/22/13
Date


Tracy Diel, Director
Procurement and Contracts
Kansas Department of Administration

6/3/2013
Date

KFMC's COST PROPOSAL, for EQRO Amendment -
February 22, 2013

Task	Task Description	Timing/ Frequency	Program Area(s)	Cost Per Year
I.1a	Validation of two (2) performance improvement projects for two HealthWave MCO	Close-out	Title XIX and Title XXI	2013: \$11,250
I.1b	Validation of two (2) performance improvement projects for three KanCare MCOs (new or ongoing) Year 2 increases since will have more data to validate and remeasurement to review.	Annually	Title XIX and Title XXI	2013: \$ 81,146 2014: \$ 99,480 2015: \$ 86,484 2016: \$ 86,624 2017: \$ 87,800
I.1c	Optional – One Additional PIP validation for One MCO	As needed	To Be Determined	2013: \$ 10,897 2014: \$ 11,553 2015: \$ 11,226 2016: \$ 12,628 2017: \$ 12,818
I.2a	Validation of two HealthWave MCOs performance measures	Close-out year	Title XIX and Title XXI	2013: \$28,491
I.2b	Validation of three KanCare MCOs' performance measures (year 1, 21 measures each; year 2-4, 15 measures each) Year 1 more time consuming since new MCOs to Kansas.	Annually		2013: \$ 137,456 2014: \$ 104,438 2015: \$ 104,207 2016: \$ 105,770 2017: \$ 107,357
I.2c	As Needed: Additional Performance Measure Validation of Administrative Measure for three MCOs	As needed		2013: \$ 6,960 2014: \$ 7,064 2015: \$ 7,170 2016: \$ 7,277 2017: \$ 7,288
I.2d	As Needed: Additional Performance Measure Validation of Hybrid Measure for three MCOs	As needed		2013: \$ 9,210 2014: \$ 9,348 2015: \$ 9,488 2016: \$ 9,630 2017: \$ 9,774
I.3a	A review to determine the MCOs' compliance with standards pursuant to 42 CFR § 438.240(b)(2) – BBA Review 2013 – full review; 2014-2015 follow-up review; 2016 – full review; 2017 follow-up review To include coordination activities for DHCF's contract compliance review.	Annually	Title XIX and Title XXI	2013: \$ 98,559 2014: \$ 27,092 2015: \$ 26,735 2016: \$ 82,208 2017: \$ 27,283
I.4	MCOs' Information Systems Capabilities Assessment	Every other year, starting in the first year of the amendment.	Title XIX and Title XXI	2013: \$ 61,389 2014: \$ ----- 2015: \$ 55,204 2016: \$ ----- 2017: \$ 56,608
I.5a	Annual Report – HealthWave MCOs	Close-out of 2012	Title XIX and Title XXI	2013: \$ 21,710
I.5b	Annual Report – KanCare MCOs 2013 – interim report 2014 – starting full reports	Annual	Title XIX and Title XXI	2013: \$ 27,651 2014: \$ 76,289 2015: \$ 73,810 2016: \$ 74,803 2017: \$ 75,803

Task	Task Description	Timing/ Frequency	Program Area(s)	Cost Per Year
I.6	Technical Assistance, contract administration, meetings (These types of costs used to be included in our Annual report dollars), to include TA regarding CARTS report and Access reports.	Ongoing		2013: \$ 29,010 2014: \$ 29,444 2015: \$ 29,886 2016: \$ 30,336 2017: \$ 30,790
Optional				
II.1	SED HCBS Waiver Review	Ongoing	SED	2013: \$ 66,876 2014: \$ 53,630 2015: \$ 50,669 2016: \$ 51,429 2017: \$ 52,200
II.2	Ad hoc activities, studies and/or reports Year 1:	As requested and approved by KHPA. Structure the bid with this as a potential activity, and an hourly rate.	Title XIX and Title XXI	2013: \$ 115 2014: \$ 120 2015: \$ 120 2016: \$ 120 2017: \$ 120
II.3	MH member survey – adult and children	Annual	MH	2013: \$ 133,999 2014: \$ 135,165 2015: \$ 136,345 2016: \$ 137,545 2017: \$ 138,816
II.4.a	Provider Survey Validation Up to 3 per year	Annual	Title XIX and Title XXI	2013: \$ 47,549 2014: \$ 48,263 2015: \$ 48,986 2016: \$ 49,719 2017: \$ 50,465
II.4.b	Member Survey Validation Up to 3 per year	Annual		2013: \$ 47,549 2014: \$ 48,263 2015: \$ 48,986 2016: \$ 49,719 2017: \$ 50,465
II.5	Validation of encounter data reported by the MCOs. Assuming will find 70% accuracy; using 95 CI, and 6% margin of error. 318 records x 2 populations (T19 and T21) x 3 MCOs = 1,908 records with annual reporting.	One time – work carries into second year for one annual report.	Populations: T19, T21,	2013: \$ 109,611 2014: \$ 29,492
Other Activities				
III.1	KanCare Evaluation More time involved in initial planning year and initial studies to evaluate effectiveness. Final year involves further overall studies and reporting. These costs could change once scope of evaluation determined.	Over 5 yr period		2013: \$ 144,687 2014: \$ 138,049 2015: \$ 122,814 2016: \$ 91,836 2017: \$ 190,909
III.2	Merging of FFS Inpatient Services Year 1 cost includes: \$53,586 for 40 reviews of non-KanCare FFS members (yrs 2,3,4,5 costs also reflect 40 case reviews); year one also includes \$189,284 for 2,346 pre-KanCare FFS admissions review selections in April/May	Annual/ongoing		2013: \$ 242,870 2014: \$ 53,845 2015: \$ 54,090 2016: \$ 54,370 2017: \$ 54,638

KFMC's current Performance Bond expectation is \$100,000. Per, DHCF, this will be the continued expectation.

Year	Total Cost (excluding 1.1c;1.2c;1.2d;11.2)	Monthly Cost - Rounded
2013	\$1,289,803	\$107,484
2014	\$843,450	\$70,288
2015	\$837,204	\$69,767
2016	\$824,359	\$68,697
2017	\$923,114	\$76,926

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